

**DEPARTMENT OF HOMELAND SECURITY
UNITED STATES COAST GUARD
STATEMENT OF
VICE ADMIRAL THOMAS J. BARRETT
ON THE
INTEGRATED DEEPWATER SYSTEM
BEFORE THE
SUBCOMMITTEE ON COAST GUARD AND MARITIME
TRANSPORTATION
U.S. HOUSE OF REPRESENTATIVES
APRIL 28, 2004**

Good morning, Mr. Chairman and distinguished members of the Subcommittee. Thank you for this opportunity to discuss the Integrated Deepwater System (IDS), and thank you for your recent passage of H.R. 3879. Your support of your Coast Guard is very deeply appreciated.

The Deepwater Acquisition is crucial to the ability of the Coast Guard to meet national priorities. Bounded by oceans, America has been and always will be a maritime nation. The oceans are a resource to protect, a path for our global commerce, and unfortunately, in today's world, a route for potential terrorists and other threats to our security, such as illegal drugs and migrants. Declining fleet readiness, and increasing costs of maintaining aging assets, are jeopardizing our future ability to address our maritime missions.

Readiness concerns were the basis in the mid-1990's for our pursuit of this program. What has changed today is the urgency of the need.

[Slide 1 – Storis]

Cutters like the STORIS, pictured here, began its service during World War II, have a proud but very long history. We cannot rely upon assets commissioned in 1942 to fulfill the maritime safety and security needs of today.

[Slide 2 – Readiness Gap]

Our crews take great pride in stretching the useful life of our ships and aircraft. We have been able to maintain readiness, largely through the Herculean efforts and innovative spirit of your Coast Guard personnel. You know that ... You've been onboard our ships and boats. However, only so much is possible with obsolete machinery, which continues to

fail. As shown, our current fleet of cutters are free of major equipment casualties less than 50% of the time.

[Slide 3 – Eroding Legacy Support Base]

Maintenance costs are escalating far beyond budgeted support levels. In FY '02, expenses exceeded budgeted support by more than \$300,000 per vessel. If we plotted FY '03 data, it would literally be “off the chart,” as legacy cutter maintenance expenses now exceed funded support levels by almost \$500,000 per vessel.

[Slide 4 – Spending More – Getting Less]

Mr. Chairman, our cutters operate free of major casualties less and less. We are spending more for each operational day and getting fewer of them.

As you know, because of HH-65 in flight power loss problems, the Commandant recently decided to immediately re-engine these aircraft.

LCDR Robert Makowsky from Air Station Atlantic City is here today. A year ago, patrolling in support of Operation Iraqi Freedom, his HH-65 experienced a power loss. He had to choose between landing in Syria, and a single-engine cutter landing at night. Unable to hover, with no margin for error, Lcdr Makowsky nailed the hard deck landing dead center on the cutter's flight deck. Neither his crew nor his equipment was damaged. For his extraordinary airmanship we awarded him the Air Medal.

For all the pride and admiration we have for Lcdr Makowsky, deteriorating readiness risks him, his crew, and our mission success, and ultimately, increases the risks for

those who depend on us to help defeat terrorism, keep drugs out of our country, protect our ocean resources, or save those in peril at sea.

[Slide 5 – A Capability Deficit]

Pictured here is our 378-foot high endurance cutter, RUSH, returning home from Vietnam, as I did on Coast Guard Cutter CHASE in 1970. At right, DALLAS, a sister ship, is shown returning from a deployment to Iraqi Freedom in 2003 – It's too long.... (34 years later)

Deepwater is the means to resolve these challenges. After years of study, analysis, and debate, the President made the crucial decision in FY 2002 to begin recapitalizing the Coast Guard, and has subsequently increased the amount of funding dedicated to this effort. Thanks to the support of the Administration and Congress, we have in place a sound acquisition strategy to fundamentally address Coast Guard readiness.

Our system integrator—Integrated Coast Guard Systems—brings technical expertise, innovation and national industrial base capacity, through a *flexible* contract vehicle.

We have profited from multiple independent assessments and audits by GAO and others. From this feedback, we are improving program management, increasing competition, and enhancing measures of contractor performance

Specifically, since GAO's March report:

- We are making measures of competition an award term factor;**
- We have developed more objective award fee criteria;**

- We have converted some military positions to civilian to provide greater program continuity; and
- We upgraded the training of IPT's.

We will provide each committee member a copy of the PEO's first periodic update detailing our progress in achieving those recommendations contained in the GAO report. We will be pleased to keep the committee fully apprised of our progress.

[Slide 6 – A National Priority]

As the Coast Guard's Vice Commandant and Agency Acquisition Executive, I can say, Deepwater is fully aligned with national goals and DHS objectives. Deepwater, is a *well-run* program that can *respond to new requirements* and *address our national maritime priorities*. I ask for your continued support and guidance in that endeavor.

Thank you, Mr. Chairman. I will be happy to answer any questions you may have.